



# MGNREGA- A PROSPECT OF ACHIEVING SUSTAINABLE DEVELOPMENT GOALS THROUGH POVERTY REDUCTION

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## ABSTRACT

The mission of SDGs has been launched by the UNO from January 2016 as Agenda 2030 that aim to end poverty, hunger and assure gender equality while building a life of dignity for all over the next 15 years. The end of 15-year cycle of the anti-poverty Millennium Development Goals (MDGs) which came to an end in 2015 paved the way for the SDGs. The agenda of SDGs addresses three dimensions of sustainable development –social, economic, and environmental. It has 17 goals and 169 targets to wipe out poverty fight inequality and tackle climate change. Poverty is more than the lack of income and resources to ensure a sustainable livelihood. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making these all are due the lack of employment services. The international community has made significant strides towards lifting people out of poverty. The most vulnerable nations – the least developed countries, the landlocked developing countries and the small island developing states – continue to make inroads into poverty reduction. However, inequality persists and large disparities remain regarding access to health and education services and other assets

To reduce inequality, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations. Social protection systems need to be implemented to help alleviate the suffering of disaster-prone areas mainly rural area of country and provide support in the face of great economic risks. These systems will help strengthen responses by afflicted populations to unexpected economic losses during disasters and will eventually help to end extreme poverty in the most impoverished areas. To achieve first goal of sustainable development MGNREGA is a good scheme to generate employment in rural areas and reduce poverty. MGNREGA is a social security tool launched in 2005 to enhance the livelihood security of the rural poor by providing them with 100 days of guaranteed employment in a financial year. Any adult who is willing to do unskilled labour can register under MGNREGA and demand for work. MGNREGA has helped in assuring a minimum financial security to the rural sections and has contributed to the overall economic and social well-being of its members. The efficiency in its implementation by the gram panchayaths has also played a major part in ensuring its success. In the World Development Report of 2020, MGNREGA was reported as a peerless example of rural development. The present study aims to evaluate the socio-economic impact of MGNREGA and the effectiveness of scheme in poverty reduction in Jaisalmer district of Rajasthan.

**KEYWORDS:** MGNREGA, Livelihood Security, Socio-Economic Impact, Poverty Reduction

## REVIEW OF LITERATURE

A review of past research studies helps in understanding the theoretical and conceptual framework relevant to the study. As a flagship programme of the Government of India, MGNREGA has received considerable attention from politicians, policy think tanks, and scholars. Keeping in view the objectives of the study, reviews are presented under the following headings. This study will add to the literature about MGNREGA that to date consists primarily of aggregate national, state level or multi-state evaluations (Deininger and Liu, 2013; Dreze and Khera, 2009; Dreze, 2010; Reddy et al., 2010; Azam, 2012; Imbert and Papp, 2015), or studies that focus on single, or a few, factors such as the relationship between MGNREGA and stunting (Dasgupta, 2013) understand implementation of the programme in various states.

In sum, although MGNREGA has appeared to provide some much needed employment for India's most marginalized

workers, a major limitation of the scheme to date has been its ability to generate employment to meet the demand for work. In addition, corruption appears to be an impediment to successful implementation. This finding is more prevalent in some states than others. Despite the large number of empirical studies investigating the impact of the MGNREGA, there are few studies that offer an in-depth, qualitative analysis of implementation and outcomes of MGNREGA in specific sites. Notable exceptions include the study by Sudarshan et al. (2010) in Himachal Pradesh, Kerala and Rajasthan, and Carswell and De Neve's (2014) mixed method study in Tamil Nadu.

## OBJECTIVES OF STUDY

The specific objectives of the study are:

1. To analyze the Socio-Economic conditions of the MGNREGA workers in Jaisalmer district.
2. To study the impact of MGNREGA in reduction of poverty and inequality in Jaisalmer district.

## LIMITATIONS OF THE STUDY

The present investigation was confined to only six villages of Jaisalmer district viz; chadhan, Roopsi, lathi, Dabla, Devikot,, Lodrwa. The study needs to be replicated in other districts. So, the inference drawn can be generalized to a greater extent.

## METHODS AND METHODOLOGY

For the study undertaken in 2019-20, the primary data for the financial year 2020-21 were collected from 240 respondents. The secondary data were compiled from [www.nrega.nic.in](http://www.nrega.nic.in). Six villages of different blocks in Jodhpur district, Rajasthan were selected where MGNREGA was implemented during its 3rd phase (2008-09). The study was conducted in Jaisalmer District of Rajasthan State. Jaisalmer District consists of sixteen blocks, out of which six blocks were selected and from each block one village was selected with forty respondents working in MGNREGA. Thus, making a total sample of 240 respondents. Data were collected through structure interview schedule and data were analyzed by using simple mean, percentages, frequency Lorenz curve were used to analysis the inequality and poverty reduction in pre and post MGNREGA scheme.

## LIMITATIONS OF STUDY

The present study has got certain limitations which actually paves way for future researches in this area. The limitations are: We have considered only 240 samples. We recommend future researches using more samples so that generalizations can be made. We have analyzed samples from only from one district of Jaisalmer. Future researches can be undertaken by conducting study in more districts/areas.

## STATEMENT OF PROBLEM

Low level of income continues to be the barrier for the poor to escape from the poverty trap. Most of the initiatives of self employment and skill building aim to provide the safety net to the poor from the "poverty that kills". Besides the legal guarantee of 100 days of work in a financial year, MGNREGA households are also assured of basic minimum income. Higher incomes are expected to raise household savings, accelerating economic diversification and household investments in human capital. Having this background in mind the study put forward the following Question. What is the socio-economic situation of men and women in MGNREGS? Which approach is conducive in Jaisalmer to assess the impact of MGNREGA? Is any change after MGNREGA or not?

The aim of this paper is to find out what is the contribution of MGNREGA towards socio-economic status and change in income after MGNREGA in (Jaisalmer) Rajasthan.

## RESULTS AND DISCUSSIONS

### Relative poverty (Income and resource inequality)

Inequality measurement is an important factor of economy, which indicates whether benefits of growth have been concentrated or "trickled down" sufficiently to the society. There may be wide difference of opinion as to the significance of a very unequal distribution of wealth, but there can be no doubt as to the importance of knowing whether the present distribution is becoming more or less unequal (Lorenz,1905). Inequality is

a broader concept than poverty in that it is define over the entire population, not just for the portion of the population below a certain poverty line. In the course of inequality measurement, we are able to say at what point a community is to be placed between the two extremes, equality, on the one hand, and the ownership of all wealth by one individual on the other (Lorenz, 1905). Inequality is concerned with distribution. Note that inequality measures can be calculated for any distribution, not just for income, or other monetary variables but also for land, livestock and other continuous and cardinal variables. Among the most important economic challenges facing Rajasthan, the increases in the inequality of economic outcomes needs attention like poverty. This study was designed only to address the status of income and agricultural resource inequality among sampled households in Jaisalmer district of Rajasthan. Inequalities of sampled household in income before and after MGNREGA were measure by using Lorenz curve.

### Lorenz curve

In this analysis Lorenz curve are used as inequality gadget to assess how income and agricultural resource distributed among sampled households. The Lorenz curve is a tool used to represent income or resource distributions as proposed by Lorenz (1905); it tells us which proportion of total income or resource is in the hands of a given percentage of population. However, instead of ending up with income shares, the Lorenz curve relates the cumulative proportion of income to the cumulative proportion of individuals.

The Lorenz curve is obtained as follows: The X-axis records the cumulative proportion of population ranked by income level. Its range is therefore (0, 1). The Y-axis records the cumulative proportion of income or resource for a given proportion of population, i.e the income or resource share calculated by taking the cumulated income or resource of a given share of the population, divided by the total income or resource Y

The shape of the Lorenz curve is therefore a good visual indicator of how much inequality there is in an income distribution. It provides an easy way to represent income or resource equality in terms of graphs; however, it does not work easily in comparative analysis...

### Socio-economic factors for MGNREGA beneficiaries

Participation in MGNREGA depends upon various attributes which in turn are mainly governed by socio-economic factors. Socio-economic factors such as age, sex-ratio and composition of the family, family size, economic category and social group play an important role in the prevailing grinding poverty in the study area.

It is evident from the results that the percentage of female workers is approx 70 percent in the sample families. It indicates that this scheme gives much important to the female workers. According to the scheme Act, it is true.

- Three-fourth (70 %) of the beneficiaries were middle aged followed by old (20.85%) and young (7.5%) aged categories.
- Majority (69.16%) of the beneficiaries was female and

30.84 per cent of the beneficiaries were male.

- About 47.08 per cent of the respondents belonged to Other Backward Castes (OBCs) and General castes, 52.92 per cent respondents belonged to Scheduled Castes (SCs)/ Scheduled Tribes (STs).
- About 17.5 per cent of the beneficiaries had completed primary school, 7.5 per cent of the respondents had middle school education, only 1.25 per cent of the beneficiaries completed high school education and majority of 73.75 per cent of the beneficiaries were illiterate. It exposed that most of the respondents did not have sufficient education knowledge therefore they preferred this manual work.
- Majority (42.5%) of beneficiaries were marginal farmers followed small farmers (38.75 %) and 9.15 per cent and 9.60 were medium farmers and landless farmers respectively. Majority (50.42 %) of the beneficiaries belonged to joint family whereas 49.58 per cent of the beneficiaries belonged to nuclear family.

#### Annual income of the beneficiaries

Income is the most important deciding factor of standard of living. Access to food and shelter, economic comforts, social appreciation, greatly depends up on one's income. It is observed that income levels of the workers have increased substantially and the entire workers daily wage income was increased to two fold.

Role of this scheme in improving the level of income is clearly evident among the 100000 to 200000. Percentage number of respondents earned income between Rs. 100000 to Rs. 150000 increased from 29 percent to 36 percent. Similarly, those earned between Rs. 150000 to Rs. 200000 increased 11 percent to 16 percent due to joining under MGNREGA. From this result, researchers have concluded that after enrolling their name and working under MGNREGA, the income earning capacity of the sample respondents in the study area have been enhanced. It is the positive achievement of the programme.

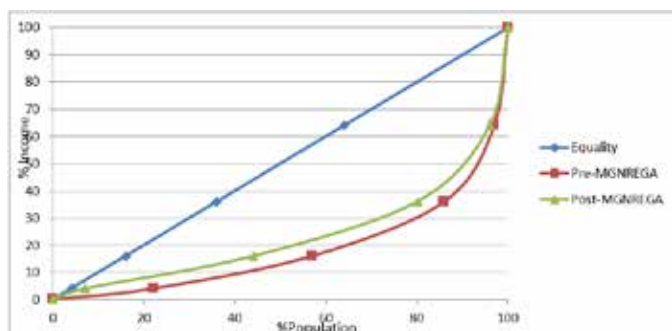


Fig 1. Lorenz Curve

Source: Primary Survey

The Lorenz curve drawn to see how total Annual income was distributed among the surveyed households for pre-MGNREGA and post- MGNREGA. The Lorenz curve Illustrated on fig 1 is far from the perfect distribution line for pre-MGNREGA than post-MGNREGA, which specifies increases of income from MGNREGA reduces the skweness of curve and shows less inequality. Therefore, there is an improvement in the distribution

of income among the beneficiaries due to MGNREGA.

#### CONCLUSION

The study has found that comparatively backward ethnic groups are regularly participating in larger proportions in the MGNREGA works, whereas general and other -backward caste people also constitute the larger share. The traditional concept of joint households in rural areas is being disturbed due to implementation of the programme as a proportion of the jobcards are held by smaller size of households is equal to large size. The education level of the beneficiaries has been found to be lower. The study has revealed that the socio-economic condition of the households regularly working under the MGNREGA scheme is considerably poor in the rural area. They are the really needy people. Though the socio-economic conditions have been improving gradually, but to fasten the rate of improvement some developmental initiative can be integrated with the scheme mainly targeting those households who are working regularly under the scheme for long periods. The study also shows the income increases after joining in MGNREGA which stress on poverty reduction and to achieve sustainable development first goal it is beneficial scheme for rural India.

#### Implications And Recommendations

- A multiple scheme and multiagency approach could also be a fruitful idea for the same purpose.
- Convergence of MGNREGS with other scheme of public works will certainly improve the skill levels among the workers. Incorporation of some special provisions for the elderly persons within the Scheme is the immediate need to mitigate the problems being faced by the old persons.
- To make payments smooth, a specialized section in banks and post offices to deal with MGNREGA works should be developed.
- Providing only unskilled manual labour work through the scheme does not seem to be a healthy idea in the long-run. Provision for the semi-skilled and skilled workers should be incorporated into the Scheme. Some mechanism should be evolved to restrict political interference in the programme and the 100 days ceiling limit may be re-considered for the benefit of workers regularly engaged with MGNREGS.
- The beneficiaries had less knowledge about existence and functioning of Local Vigilance and Monitoring Committee (LVMC) at Gram Panchyat level to monitor MGNREGA works, getting information related to MGNREGA under Right to Information Act to the public and beneficiaries are entitled to get unemployment allowance, incase Gram Panchayat fail to provide employment within 15 days of application for work. Hence, there is need to create awareness among MGNREGA beneficiaries regarding these components by the MGNREGA implementing agency.
- Monitoring and social auditing of MGNREGA works must be made still more effective by the implementing agency so as to ensure payment of wages in time, issuing of job cards to all the registered households

under MGNREGA without any delay and hassles and Gram Sabha should be made more participatory through wide publicity.

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